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Evaluation

Joint evaluation of UNDG contribution to the implementation of the Paris Declaration on Aid Effectiveness (first phase)

Executive summary

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I. Introduction

1. In 2006, the United Nations Development Group (UNDG), a signatory of the Paris Declaration on Aid Effectiveness, agreed with other donors and partner countries to conduct an evaluation of the implementation of the Paris Declaration between 2007 and 2010 using a two-phased approach. The first phase, a *formative* evaluation, is to focus on inputs, implementation process and outputs (to the extent possible). The second phase, a *summative* evaluation, is to focus on implementation results and outcomes. The first phase will contribute to the High Level Forum on Aid Effectiveness scheduled for September 2008 in Accra, Ghana.

2. Within UNDG, it was agreed that UNDP would carry out the assessment jointly with the International Fund for Agricultural Development, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Economic Commission for Africa (ECA), UNFPA, and the United Nations Development Fund for Women (UNIFEM).[1]

3. The objectives of the evaluation were to:

(a) Assess UNDG initiatives in support of the implementation of the Paris Declaration on Aid Effectiveness;

(b) Assess United Nations country team (UNCT) initiatives related to increasing aid effectiveness; and

(c) Learn about lessons from Paris Declaration-related initiatives and strategies implemented by UNDG organizations at the corporate and country levels.

4. The design of the evaluation centred around three dimensions identified as principal contributors to development partner behaviour: commitment, capacities and incentive systems. In addition, the evaluation was to examine four cross-cutting subjects: gender equality, HIV/AIDS, rural development and capacity development. Finally, the evaluation was to recognize the specificity of UNDG in the implementation of the Paris Declaration while acknowledging the broader UN contribution.

5. The main elements of the methodology were to:

(a) Assess Paris Declaration-related actions by the participating UNDG entities, recognizing that some PD dimensions were already principles of engagement of UNDG members prior to the Declaration;

(b) Conduct six country case studies to determine the UNDG role in fostering the Paris Declaration principles at the country level; case studies were conducted in Cameroon, Ethiopia, Gabon, Laos, Mauritania and Ukraine;

(c) Assess the four cross-cutting issues in both headquarters and country case studies; and

(d) Conduct an electronic survey of the United Nations resident coordinators who chair the UNCTs in both signatory and non-signatory countries for systematic feedback on the implementation of the Paris Declaration.

6. The evaluation recognized some major limitations, including: the short implementation period for the Paris Declaration, the absence of a common baseline on the commitments made therein, and the biases resulting from self-selection and volunteering.

[1] Two UNDG member organizations that agreed to carry out the joint assessment are direct signatories of the Paris Declaration: ECA and IFAD.

II. Conclusions

7. UNDG experience in applying the five principles of the Paris Declaration varied substantially across the principles. Progress was most evident in supporting country ownership and alignment with national development strategies. There were also some interesting cases of progress in the area of mutual accountability. However, progress relating to alignment in using country systems and harmonization across UNDG members (and beyond) shows the greatest room for improvement. Strong coordination mechanisms involving other development partners and partner governments are critical for resident coordinators and UNCTs to foster implementation of the Paris Declaration.

8. The role of the resident coordinator and the UNCT extends far beyond the aid effectiveness objectives of the Paris Declaration. Resident coordinators and UNCTs may face issues of humanitarian assistance, crisis management, conflict prevention and peacebuilding that take priority over the principles contained in the Declaration. This potential area of competition does not appear to have hindered its implementation. Some of the United Nations-related responsibilities that extend beyond the Declaration may, however, be critical to achieving its objectives.

9. The UNDG/UNCT contribution to strengthening ownership principally took the form of assisting governments in strengthening capacities to prepare and execute their country development strategies and deal with new aid modalities such as sector-wide approaches (SWAPs) and direct budget support. Because country ownership varied greatly, the role of the UNCT also varied. The resident coordinator offices, as well as individual United Nations organizations, through collaboration with governments and multilateral and bilateral organizations, have played an important role in creating an enabling environment for achieving the objectives of the Paris Declaration. UNDG and the UNCTs were seen as trusted partners, supporting countries in fulfilling both their national and international development obligations and in designing and implementing development strategies.

10. The main progress in alignment took place with respect to development strategies at national and sectoral levels, including aligning the planning cycles of United Nations Development Frameworks (UNDAFs) with those of national development plans. There is room for UNCTs to improve other elements of alignment that relate to use of national systems of partner countries (reporting, public financial management, country audits and procurement, for example).

11. Coordination regarding development priority-setting and planning among UNCT members and other development partners seems to have improved greatly thanks to thematic groups and larger coordination fora. In all six case-study countries, UNCTs understood that it has become increasing difficult to act in isolation, although fuller joint programming has yet to be achieved.

12. Some progress was made in improved coordination among UNCT members and other development partners (most important under the Harmonized Approach to Cash Transfers initiative). However, partner countries have higher expectations for measurable savings in transaction costs through alignment and harmonization. UNCT members felt most constrained in acceding to partner countries requests to harmonize their headquarter-determined procedures. Thus efforts to reduce transaction costs through harmonization require an approach that addresses the concerns of both partner countries and the many UNCT agencies (and other development partners). Given the wide variance among UNDG member

objectives, policies and procedures, the road to harmonization remains an extraordinary challenge for UNDG.

13. Government capacities to plan and coordinate development partners' contributions are of particular relevance to the Paris Declaration. For instance, the country case studies confirm that systematic strengthening of national statistical offices is particularly important to managing for results by providing credible, timely information. But long-term, comprehensive commitments are needed in order to ensure that the required capacities are built.

14. The feedback from the country case studies suggests that there is a long way to go in achieving the objective of mutual accountability and joint assessments of mutual progress in aid effectiveness. Moreover, feedback from case-study countries included broad concern about donor commitments with regard to both the level and the predictability of support. The UNCT plays a significant role in promoting mutual accountability, through round tables that indicate performance under donor pledging; participation in consultative group meetings; support to governance reforms, including strengthening the parliamentarian system; and support to civil society participation. The ECA plays a special role in fostering mutual accountability at the level of the African countries.

15. UNDG and the participating members in this assessment started out well in their commitment to respond to the Paris Declaration principles, both through actions at headquarters and by conveying the importance of the Declaration to the resident coordinators and the UNCTs. This relatively fast response was greatly facilitated by development assistance commitments in which UNDG members had already been engaged prior to the Declaration.

(a) Changes were made to synchronize UNCT planning cycles with national planning cycles;

(b) UNCTs supported national partners in sector institutional arrangements, such as the UNFPA involvement in SWAPs; and

(c) The specialized agencies, funds and programmes increased their efforts to use national systems – for procurement and operational procedures, for example – thus eliminating project implementation units on procurement. However, significant variances among organizations and countries remain.

16. When responding to capacities, UNDG members used existing institutional structures and reinforced them where necessary rather than building additional structures. In the case of a relatively new institution, UNAIDS, it found the principles of the Paris Declaration relevant for building national responses to HIV/AIDS. Most of the capacity development to enable UNDG members to implement the Paris Declaration has taken the form of specific instructions, guidelines and training to educate staff about the Declaration. Prior commitments to major principles of the Declaration, embodied in the common country assessments and UNDAFs, were helpful in that process.

(a) UNCTs provided substantial technical support to countries in formulating, revising and implementing national development strategies or PRSPs; and

(b) UNDG established a policy network on the Millennium Development Goals to provide policy and operational advice to UNCTs in their technical support work.

17. In assessing incentive systems in place, the findings were discouraging. Those expected to take primary responsibility in implementing the Paris Declaration, the resident coordinators, found incentives specific to this endeavour weak. The

performance evaluations of resident coordinators (which includes an assessment from organizations forming part of UNDG) directly address Declaration-related responsibilities. However, for the many other UNDG member staff involved in the implementation of the Declaration, this dimension is assessed only indirectly in their performance evaluations, mainly through agreed work programmes. Implementation efforts cannot rely only on traditional incentive systems focusing on the immediate actors concerned. The approach to incentives must be broadened to address directly the factors that stand in the way of greater progress, especially with respect to harmonization.

18. Implementation of the principles of the Paris Declaration among the crosscutting issues has been uneven. In the case of HIV/AIDS, the presence of a UNDG entity – UNAIDS – was helpful to implementing those principles in this critical area. Implementation was less successful in the remaining three crosscutting issues reviewed in this assessment: gender equality, rural development and capacity development. Despite established UNDG member policies on gender equality, and the practice in countries without a UNIFEM resident specialist to have a lead person on gender equality from another resident UNDG organization in the UNCT, attention to gender equality is still inadequate. The degree to which gender equality issues within the Paris Declaration context were addressed varied from country to country and a need was identified for clear strategies and indicators to measure progress made with respect to gender equality efforts. With regard to rural development and capacity development, attention to and coordination by the UNCT could be improved through the respective working groups.

19. Many resident coordinators and UNCTs work in countries that did not sign the Paris Declaration. While non-signatory countries were not assessed in the evaluation (no non-signatory countries were visited), feedback from the survey of resident coordinators suggests that signatory countries are significantly better attuned to the principles of the Declaration. Thus resident coordinators and UNCTs in non-signatory countries face greater challenges in helping UNDG members respond to the principles embedded in the Declaration.

III. Recommendations

20. UNDG should make increased use of national systems for support services, when appropriate and to the benefit of the partner countries, in order to strengthen national capacities and reduce transaction costs. Such support services include: procurement, security, information technology, telecommunications and banking, as well as planning, reporting and evaluation.

21. UNDG should further harmonize and simplify its business practices in order to increase the accountability and transparency of operational activities while ensuring that development assistance to partner countries is provided in a coherent fashion that supports capacity development. Practices that could be improved include: budgeting, audit functions, procurement systems, and professional expertise, including the adoption of the International Public Sector Accounting Standards.

22. UNDG should measure the cost of non-harmonized approaches to development assistance and further standardize and harmonize the concepts and practices to reduce transaction costs.

23. UNDG should create specific, measurable, achievable and relevant results frameworks and strategies that enable partner countries to design, monitor and evaluate results in the development of their capacities at different levels to achieve national development goals and progress towards the internationally agreed development goals, including the Millennium Development Goals.

24. It is recommended that UNDG encourage governments of partner countries to initiate and conduct joint and country-led evaluations to assess the contribution of the United Nations development system to national development plans and strategies, and to systematize and disseminate lessons learned from these exercises as mechanisms for mutual accountability.

25. UNDG should reinforce its commitment to strengthening the capacity of partner countries, at their request and with their ownership and leadership, to coordinate external assistance, including system-wide and sector-wide approaches and budget support, and to make the best possible use of such assistance, especially by being involved in national planning and monitoring processes and linking the aid effectiveness agenda to the broader development effectiveness agenda.

26. UNDG should harmonize its approach among its members and other development partners to strengthen national capacities. Capacity development is commonly associated with various forms of support aimed at individuals (training), institutions (organizational development) and the enabling environment (support to policies and strategies). UNDG should contribute to the capacity of partner countries to optimize the use of new aid modalities.

27. UNDG should further develop and strengthen its knowledge management systems and expertise, including resources available at the regional level and from non-resident organizations, to better assist partner country needs for capacity development.

28. Incentives to implement the Paris Declaration on Aid Effectiveness should address directly the factors that stand in the way of progress, especially with respect to harmonization. UNDG should address the structural obstacles to the adherence of the Paris Declaration principles as part of the broader United Nations reform process. This goes beyond the subject of the present evaluation, which addresses the implementation of the Paris Declaration, though it clearly affects the ability of UNDG to deliver development assistance efficiently.

29. UNDG should adopt a complementary approach to incorporating cross-cutting issues like gender mainstreaming, capacity development and rural development, as was done in response to HIV/AIDS. In addition, UNCTs should review the adequacy of their arrangements and efforts aimed at gender equality and rural development in countries with substantial rural poverty by going beyond social concerns and addressing rural poverty on a sustainable basis, thus recognizing in a systematic way the need for improvements in production and income.